

**EXPERT DOUGLAS FARAH  
(Liability)**

IN THE UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
NORFOLK DIVISION

OLIVIA RUX, et al,  
Plaintiffs,

vs.

CIVIL ACTION NO: 204 CV 42

REPUBLIC OF SUDAN,  
Defendants.

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CCPY

The deposition of DOUGLAS CHARLES FARAH,  
taken by the Plaintiffs, at 1428 Brickell Avenue,  
Suite 800, Miami, Florida, February 5th, 2007, at  
11:58 a.m., pursuant to notice.

APPEARANCES;

ANDREW HALL, Esq.  
Hall, Lamb & Hall  
1428 Brickell Avenue  
Suite 800  
Miami, Florida.

Donald N. Leavell, RPR

U.S. Legal Support  
(305) 373-8404

1 THE VIDEOGRAPHER: This is the  
2 videotaped deposition of Douglas Farah taken by  
3 attorney Andrew Hall in the matter of Olivia Rux et  
4 al versus The Republic of Sudan in The United  
5 States District Court Eastern District of Virginia,  
6 Norfolk Division. The civil action number is 204  
7 CV 428. This deposition is taking place at 1428  
8 Brickell Avenue, Suite 800, Miami, Florida.  
9 Today's date is February 5th, 2007. The time on  
10 the video monitor is 11:58 a.m. Would counsel  
11 please state their appearances for the record?

12 MR. HALL: My name is Andrew Hall. I  
13 appear for the plaintiffs in this matter. There is  
14 no one from the firm of Hunter and Williams  
15 representing the Republic of Sudan. The Republic  
16 of Sudan has sent the Court a letter indicating  
17 that it declines to proceed, to participate in  
18 these proceedings. Notwithstanding that fact, this  
19 deposition was duly noticed in accordance with the  
20 Federal Rules of Civil Procedure for today, at this  
21 location, Miami, Florida, for Monday, February 5,  
22 2007. And with that, we'll begin.

23 Would you swear the witness, please?  
24 Thereupon,

25 DOUGLAS CHARLES FARAH

1 having been first duly sworn, was examined and  
2 testified as follows:

3 DIRECT EXAMINATION

4 BY MR. HALL:

5 A. Please state your name, sir.

6 A. Douglas Charles Farah.

7 Q. Mr. Farah, would you give me your  
8 business address?

9 A. 7304 Carol Avenue, number 101, Tacoma  
10 Park, Maryland, 20912.

11 Q. Let's go through your background, sir.  
12 What is your educational background?

13 A. I have a BS in journalism and a BA in  
14 Latin American Studies from the University of  
15 Kansas in 1985 with highest honors in both degrees.

16 Q. Following your graduation from college  
17 did you become active in the investigation and  
18 analysis of terrorism?

19 A. I did. As I covered a series of wars  
20 and conflicts in Central America and then began  
21 investigating drug related terrorism and then  
22 eventually in the post 9-11 era, moved on to  
23 Islamist terrorism.

24 Q. When you say you began, tell us about  
25 your work background, please, sir.

1           A.     I worked as a freelance journalist and  
2 then as a bureau chief for the Washington Post in  
3 Central America in --

4           Q.     From what years to what years?

5           A.     I began on staff with the Washington  
6 Post in 1988. I became the investigative,  
7 international investigative correspondent for the  
8 Washington Post in 1997, and in 2000 I became the  
9 West Africa bureau chief for the Washington Post  
10 until I left at the end of 2001.

11          Q.     And in that regard, sir, have as you  
12 also become a senior fellow for any organization  
13 regarding the study intelligence?

14          A.     I did. I took a leave of absence from  
15 the Washington Post while writing a book and I was  
16 then hired as a senior fellow for the National  
17 Strategy Information Center and The Consortium for  
18 the Study of Intelligence looking at intelligence  
19 reform and how intelligence agencies work together,  
20 information on terrorist organizations.

21          Q.     Did you also consult with the Fletcher  
22 School of War and Strategy at Tufts University?

23          A.     I have spoken to, with, at Tufts on  
24 several occasions, and one of the directors of The  
25 Consortium for the Study of Intelligence is the

1 Director of the Fletcher School.

2 Q. Did you publish any papers for that  
3 school?

4 A. I published with Richard Schultz, the  
5 director of the Fletcher School, a paper that was  
6 published by the United States Air Force on  
7 insurgencies in armed groups and failed states.

8 Q. What other organizations have you been  
9 a consultant for with regard to the issues of  
10 terrorism?

11 A. I was, served as a consultant for the  
12 Criminal Investigative Unit of United Nations in  
13 Bosnia based in Sarajevo. I have dealt with, as a  
14 consultant with a European government on terror  
15 finance and how money moves. And I currently work  
16 with International Assessment and Strategy Center  
17 under a contract that's partly funded by the  
18 Department of Homeland Security in the United  
19 States also looking at terrorism issues.

20 Q. Have you been asked to provide  
21 testimony before the United States Congress with  
22 regard to terrorism and the movement of money?

23 A. I have testified two times before the  
24 United States Congress on the issues of terror  
25 finance.

1 Q. Have you ever spoken to the United  
2 States military as a featured speaker and expert in  
3 the area of terrorism?

4 A. I have been invited to speak to the  
5 European command based in Germany on terrorism  
6 related issues specifically in Africa. I have  
7 addressed the special operations forces in Tampa,  
8 Florida. I have addressed West Point classes on  
9 counter-insurgency and terrorism and numerous other  
10 military academies that have asked me to come in  
11 and speak to them.

12 Q. Among those academies did you ever  
13 address the Center for Army Analysis?

14 A. I did. That was one of the people  
15 that brought me in to give a class on terrorist  
16 finance and how terrorism, terrorists like to use  
17 commodities to maintain financial value.

18 Q. Have you ever had occasion to give a  
19 lecture at the United States Army War College?

20 A. I have. And I have lectured there on  
21 the same basic topic, yes.

22 Q. Now, have you ever had a chance, an  
23 opportunity to lecture or speak at any American  
24 institutions, specifically Yale?

25 A. I have spoken at Yale University; I

1 have spoken at Tufts University; I have spoken at  
2 the University of Florida; and many other  
3 educational institutions.

4 Q. I'm tempted to say "Go Gators." But I  
5 suspect we need to be a little more serious than  
6 that today.

7 Did you ever have occasion to speak  
8 before any formal policy groups like the Brookings  
9 Institute or anything like that?

10 A. I have spoken to the Brookings  
11 Institution on numerous occasions. I'm part of a  
12 working group on failed states that meets regularly  
13 there both to present and to hear other presenters  
14 on the topic. I have participated as an expert in  
15 the Princeton Project which was a gathering of  
16 knowledgeable people on terrorism and future  
17 threats that provided an extensive analysis of the  
18 over-the-horizon threats for the public and for the  
19 US Government that was published late last year. I  
20 have served on the Failed States and Armed Group  
21 Committee of that project. And, so, yes.

22 Q. How about The American Enterprise  
23 Institute?

24 A. I have spoken to the American  
25 Enterprise Institute also on the issue of terror



1 financing in Africa.

2 Q. Woodrow Wilson International,  
3 International Center for scholars?

4 A. Yes, I have.

5 Q. What was your relationship with that  
6 group?

7 A. It was an invitation to speak again on  
8 terror finance issues.

9 Q. What is the NEFA?

10 A. That's the 9-11 Finding Answers  
11 Foundation. It's a group I consult with. It is a  
12 foundation that is dedicated to looking at terror  
13 finance and how it works and I am an investigator  
14 with them on contract.

15 Q. And what -- are you employed by IBI  
16 Consultants at this time?

17 A. IBI Consultants is my company, yes.

18 Q. And do you write regularly on the  
19 subject of terrorism?

20 A. I do. Primarily for the International  
21 Assessment and Strategy Center which is a private  
22 foundation also looking at terrorism issues. I  
23 generally write at least once a month. I also  
24 recently published in the New Republic Magazine, in  
25 Foreign Policy Magazine, the Washington Post

1 Outlook section.

2 Q. Have you written any books on the  
3 subject of terrorism or funding of terrorism?

4 A. I wrote a book that was published in  
5 May of 2004 by Broadway Books in New York called  
6 Blood From Stones, The Secret Financial Network of  
7 Terror which deals extensively and primarily with  
8 terrorist funding, yes.

9 Q. Did you write -- do you have another  
10 book in progress right now?

11 A. I have another book that is completed  
12 and now in the printing process, to be released in  
13 August, called The Merchants of Death. It's the  
14 story of Victor Boot and the illicit arms movements  
15 around the world to terrorist organizations.

16 Q. Have you written chapters of books as  
17 well?

18 A. I have written chapters for several  
19 books, one which will be published also this year  
20 by Brown University, on the relationship between  
21 commodities and terror finance. I have written a  
22 chapter for a book on Latin American Insurgencies  
23 that came out, I believe, in 1998, and I think  
24 that's, I think that's it.

25 Q. And what magazines have you published

1 in?

2 A. I have published in Foreign Policy  
3 Magazine; I have published in Russie which is a  
4 respected great, publication in Great Britain  
5 dealing with intelligence and terrorism issues.

6 Q. Is that the Royal United Services  
7 Institute?

8 A. Yes, it is. I have published in the  
9 Washington Post Magazine. I have published in  
10 Mother Jones Magazine. I have published in --

11 Q. What is Mother Jones magazine?

12 A. It's a liberal magazine, advocacy  
13 magazine that's been around for about a hundred  
14 years. I have published for several European  
15 publications as well, Anjou International  
16 (Phonetic) from Belgium. I have had pieces in the  
17 Financial Times, ed piece, not a magazine piece,  
18 and other publications.

19 Q. Now, sir, in this case, do you recall  
20 my contacting you to ask you to consult and to  
21 provide expert testimony regarding the role of  
22 Sudan in connection with the bombing of the United  
23 States Cole?

24 A. Yes, I do.

25 Q. Do you recall how long ago that was?

1           A.     That was in 2006, I would guess the  
2 middle of 2006.

3           Q.     Now, with regard to the issue of Sudan  
4 and its role in, as an active state sponsor of  
5 terrorism, are you familiar with that at all?

6           A.     I have come across the role and  
7 studied the role of Sudan and, in extensive, in  
8 various cases, yes.

9           Q.     Let's talk about that role. Do you  
10 have an opinion as to what role Sudan played with  
11 regard to the sponsoring of terrorist activities?

12          A.     I think Sudan provided a fundamental  
13 role in the early 1990s, particularly when the  
14 groups of Islamic radicals were beginning to form  
15 into viable armed groups when Hassan Al Turabi who  
16 was the leader of the National Arabic Front invited  
17 all of the Arab fighters to come into Sudan without  
18 visa requirements, without having to go through  
19 customs to be checked. And that was a fundamental  
20 moment in the allowing these groups to shape  
21 themselves into coherent military units.

22          Q.     Now, when you say, now Mr. Turabi, was  
23 he an official of the government of Sudan?

24          A.     Yes, he was. He was the leader of the  
25 National Islamic Front which was the party that

1 through a coup became power in Sudan.

2 Q. Was he the head of government in  
3 Sudan?

4 A. He was. And he also was  
5 simultaneously the leader of the Muslim Brotherhood  
6 which is an over-arching branch of Islamists and he  
7 provided the infrastructure both on behalf of Sudan  
8 and on behalf of the Brotherhood to give a base for  
9 these groups to form and a financial center from  
10 which they could operate.

11 Q. Now, you started with the idea of  
12 inviting the terrorists to come to Sudan. Are they  
13 still invited to be in Sudan?

14 A. Sudan has gone to great lengths to  
15 distance itself from terrorism. But I think it's  
16 an artificial distancing. There are current  
17 reports from United Nations and elsewhere, there  
18 are still Islamist training camps in Sudan and they  
19 clearly have not severed their links as you can  
20 see, given the preponderance of the Islamist  
21 radicals that are carrying out the Darfur massacres.  
22 They have clearly not distanced themselves from  
23 the terrorist infrastructure.

24 Q. Have you studied the relationship of  
25 the Sudan Support of Al-Qaeda and the bombing of

1 the Cole?

2 A. I have looked at that, yes.

3 Q. Why don't you tell us historically  
4 about how that support involved into a major  
5 meaningful role toward the bombings of the Cole.  
6 Can you do that, sir?

7 A. In my experience in dealings with 20  
8 years of armed groups and terrorist groups, they  
9 always need a physical structure from which they  
10 can operate. And particularly terrorist  
11 organizations need a place from which they can come  
12 and go, where they or their friends control the  
13 entry and exit points of that country to guarantee  
14 that they will not be impeded in their movements.  
15 Sudan provided that beginning in 1992.

16 Q. Are you talking about a, but are you  
17 talking about a safe place to work from?

18 A. I'm talking about a safe place, a safe  
19 haven under government protection where they can be  
20 guaranteed that other people will not come looking  
21 for them. And Sudan provided that beginning in  
22 1991, '92 to Osama Bin Laden and continued to  
23 provide that same service after he left in 1996.  
24 But I think in looking at how terrorist  
25 organizations work, that's a primary requirement.

1 And without Sudan allowing those groups to form  
2 into a cohesive infrastructure in Sudan and be able  
3 to move elsewhere with impunity, including across  
4 the fairly open border into Yemen, it would have  
5 been very difficult for them to put together the  
6 infrastructure that could carry out the Cole  
7 attack.

8 Q. But we know that actually Sudan got  
9 closer and did more over time, did it not?

10 A. Did more in what sense, sir?

11 Q. In, in, more in terms of Al-Qaeda and  
12 supporting Al-Qaeda, and the Cole?

13 A. Well, what made Sudan unusual, I  
14 wouldn't say unique because Afghanistan also played  
15 the same role, is it provided them with a central  
16 government protection which is an unusually  
17 valuable commodity if you're an armed group,  
18 especially if you're a terrorist group. That  
19 states's protection of their infrastructure allowed  
20 them to acquire property, acquire businesses,  
21 launder money through those properties, obtain  
22 diplomatic passports which allowed them to move  
23 around the world with impunity and unable to be  
24 searched and it also provided them fundamentally  
25 with a banking structure, Islamic structure that's

1 out of the norm of the banking rules that we're  
2 acquainted with in the west and allowed them  
3 channels to move money through that would be  
4 virtually undiscoverable to the outside world.

5 Q. Let's just go through the passage of  
6 time. Did Al-Qaeda acquire financial interest in  
7 business in Sudan which allowed Al-Qaeda to launder  
8 money through these Sudanese businesses?

9 A. Yes, we know that they acquired a  
10 tannery, they acquired agricultural businesses,  
11 they acquired a number of farms, they had a virtual  
12 corner on the gum Arabic market which is used in a  
13 variety of sodas and things like that. So they  
14 were able to put together a fairly large  
15 infrastructure. And they also invested, Bin Laden  
16 personally invested tens of millions of dollars in  
17 this, a particular bank, in the Al Shamal bank.

18 Q. Do you recall the precise amount?

19 A. 50 million dollars is what the State  
20 Department has said and what other people have told  
21 me as well, out of his personal inheritance, that  
22 that was his, that was the last chunk of his family  
23 money and he put it into a bank which gave him  
24 partial ownership of the bank and a way to set up  
25 accounts and move money that were completely off



1 the books for anyone else looking for it. And  
2 that's an incredibly important asset when you're  
3 looking at funding armed groups and you don't want  
4 people to determine whether the money comes from.

5 Q. Are you able, sir, to have something,  
6 for example, if you have a sleeper cell in Yemen,  
7 like the bombers of the Cole were a sleeper cell in  
8 Yemen for Al-Qaeda, is it necessary for you to be  
9 able to have money off the books to fund them so  
10 they can be a sleeper cell?

11 A. Absolutely. They can't do anything  
12 without money and can't do anything without  
13 training. And Sudan provided the financial  
14 infrastructure and the training infrastructure for,  
15 for the people involved in that attack.

16 Q. Now, let me just go forward in time.  
17 We have heard that somewhere in 1996, the  
18 leadership of Sudan expelled Osama Bin Laden. Did  
19 Sudan at the same time terminate its relationship  
20 as a state sponsor of Al-Qaeda?

21 A. No, it did not. Al-Qaeda remained,  
22 retained its business interest there. On the books  
23 it appears as though those businesses lost  
24 significant amounts of money. They don't look like  
25 good investments. He also had to pay into the

1 National Islamic Front structure so they could make  
2 money off of his being there. But in reality a lot  
3 of the losses appeared to me from what I have seen  
4 to be money laundering losses, not actual losses.  
5 There are ways of moving money through a cycle so  
6 that it simply will disappear. And the businesses,  
7 those businesses stayed intact well into this  
8 century, years after.

9 Q. Well, well into the year 2000?

10 A. Well into, well after the year 2000,  
11 yes.

12 Q. Do you recall where Sudan actually  
13 started issuing official documents to members of  
14 Al-Qaeda so that they could conduct their terrorist  
15 activities, specifically passports?

16 A. I have been -- from what I know, they  
17 began at least in 1998 and probably before to issue  
18 diplomatic passports and order their Embassies  
19 around the world to assist Al-Qaeda in whatever way  
20 necessary. So they were able, and that's a very  
21 important point because diplomatic passports and  
22 diplomatic protection means you can't be searched  
23 and questioned as you go across borders. And  
24 that's something the terrorists have always wanted  
25 and sought to acquire, and almost anywhere. And

1 Sudan gave it to them on a silver platter.

2 Q. You're aware, are you not, that after  
3 these diplomatic facilities were being offered to  
4 Al-Qaeda starting in 1998, that those same pouches,  
5 diplomatic pouches were used to ship at least one  
6 shipment of explosives into Yemen?

7 A. Yes, they were used to ship at least  
8 one bag of explosives or pouch of explosives into  
9 Yemen, which again I say is incredibly important.  
10 Without a state sponsor you can't do that, because  
11 diplomatic passport -- pouches are not searched.  
12 And so you can do numerous things through  
13 diplomatic channels that would be much more  
14 difficult to do otherwise.

15 Q. Now, we know from various official  
16 accounts that in January of 2000 there was an  
17 effort in Yemen by Al-Qaeda to sink the United  
18 States ship The Sullivans which failed when the  
19 boat filled with explosives sunk, and then  
20 ultimately the second effort was on the Cole also  
21 with explosives. Where would those explosives come  
22 from based on your knowledge and experience in this  
23 area?

24 A. They can't appear from nowhere and  
25 they can't travel across borders that aren't secure

1 for the people who are moving them. So I would --  
2 my best guess would be they would have to come from  
3 Sudan which was the closest place to Yemen in which  
4 they had the safe quarter in which to be able to  
5 move this type of goods across the border.

6 Q. When you say your best guess, are you  
7 talking about your studied opinion, or are you  
8 guessing?

9 A. I'm talking about my studied opinion  
10 and having discussed this case with intelligence  
11 officials who believe the same this I do.

12 Q. Intelligence officials of which  
13 nations?

14 A. United States and Europe.

15 Q. Now, sir, do you recall that there  
16 came a point in time where the government of the  
17 United States started freezing assets --

18 A. Yes, sir.

19 Q. -- of Al-Qaeda? Do you recall when  
20 that was?

21 A. They, the main freeze came following  
22 the August, 1998, bombings of the US Embassies in  
23 East Africa. It was an attempt to, and according  
24 to the officials involved in actually doing the  
25 freeze, it was a wild attempt to take some

1 retaliatory action against Al-Qaeda without  
2 realizing, that in fact, Al-Qaeda and the Taliban  
3 had money in the United States banking system.

4 Q. Now, sir, do you recall the  
5 administration in its retaliatory action directed a  
6 cruise missile strike against Sudan?

7 A. Yes, sir.

8 Q. And that would be 1998?

9 A. That would be 1998, yes, sir.

10 Q. Now, following that missile strike and  
11 the freeze of assets, did something else happen  
12 with regard to the movement of money and/or things  
13 that could be used to buy munitions and support?

14 A. Well, what happened was that the  
15 United States effort to freeze the assets of  
16 terrorists led to the freezing of 220 million  
17 dollars in gold that was in the US Federal Reserve  
18 system, something that a part of which belonged to  
19 Bin Laden and a part of which belonged to the  
20 Taliban in Afghanistan. And following that the  
21 Al-Qaeda members decided to move all of their  
22 assets that they could out of the formal banking  
23 structure and into commodities that could be moved  
24 easily across borders and would be very difficult  
25 to trace.

1 Q. And you personally became involved in  
2 uncovering that, did you not?

3 A. I did in the weeks after the 9-11  
4 attack in 2001, I was told by people directly  
5 involved in the trade that, in fact, Al-Qaeda, had  
6 been buying a large sum of diamonds in Liberia and  
7 Sierra Leone, profiting from those particularly  
8 ugly wars in those two countries that were  
9 essentially one conflict spilling over into two  
10 different countries. And it was, Al-Qaeda was  
11 buying up the Alluvial diamond harvest in 2001 in  
12 order to move its money into commodities and out of  
13 banking.

14 Q. Now, did you, were you in Sierra Leone  
15 at the time you made that discovery?

16 A. Yes, I was. I traveled extensively to  
17 Sierra Leone, Liberia, Ghana and elsewhere on the  
18 story, but I was in Sierra Leone, yes, sir.

19 Q. And did you identify the actual  
20 Al-Qaeda operatives that were engaged in the  
21 purchase of these gems?

22 A. I did.

23 Q. And how did you identify them as  
24 Al-Qaeda operatives?

25 A. Initially through an eyewitness who

1 had dealt with them directly on the diamonds who  
2 had carried -- who had driven them into the bush  
3 from Liberia into Sierra Leone to purchase  
4 diamonds. His account and his identification were  
5 backed up by two other people who had also dealt  
6 directly with the three Al-Qaeda operatives that I  
7 identified in the story I wrote for the Washington  
8 Post as being involved in the diamond trade on  
9 behalf of Al-Qaeda.

10 Q. Were you able once you started that  
11 investigation to go backwards and trace in time how  
12 Al-Qaeda started moving in commodities, that is to  
13 say gold and gems, after its assets were frozen?

14 A. I did. I was not only in Liberia and  
15 Sierra Leone but I spent time in Pakistan and the  
16 United Arab Emirates also to people who dealt  
17 directly with Al-Qaeda and the Taliban, who told  
18 me, explained to me the rationale for their moving  
19 into diamonds and why it had happened. And further  
20 investigations as it went along began to gather  
21 documents that were coming out and being  
22 translated, we have declarations by Osama Bin  
23 Laden's body guards while he's in the Sudan talking  
24 about the need to aid the Liberian conflict. He  
25 viewed it, according to the document that, that was

1 published by a newspaper account of an extensive  
2 interview with one of Bin Laden's body guards that  
3 in fact, he was very Bin Laden, himself, was very  
4 concerned while in the Sudan. And there's another  
5 man named Mamoun Darkanzali in his trial in Germany  
6 also was asked what he was -- if he knew Bin Laden.  
7 He said yes, he knew Bin Laden and he was involved  
8 in the gem stone trade with Bin Laden while Bin  
9 Laden was in the Sudan. So my conclusion from  
10 those and other documents is that the movement into  
11 commodities actually began probably somewhat before  
12 '98 and accelerated in '98 but was directed by Bin  
13 Laden while he was in the Sudan.

14 Q. Over time, did you discover the  
15 movement of those commodities into Sudan?

16 A. What I discovered in 2002 was that a  
17 very high level European intelligence task force  
18 had become aware of gold, of flights of gold mixed  
19 with other commodities that were flying out of  
20 Afghanistan and Pakistan into Sudan, yes, and Sudan  
21 was still a harbor where they felt safe, where they  
22 could take their money to, as the Taliban fell and  
23 Al-Qaeda fled Afghanistan following the US  
24 occupation of Afghanistan. They were flying gold  
25 bars out in shipments in Russian aircraft to Sudan



1 which clearly indicated to the intelligence  
2 analysts looking at this that Sudan was still a  
3 safe haven for them.

4 Q. Did you go back and trace those  
5 shipments to periods of time in 1998, 1999, and  
6 2000?

7 A. The shipments of what, sir?

8 Q. Gold.

9 A. The shipments of gold, I only became  
10 aware of in the 2002 time period, that were going  
11 back in that, at that time.

12 Q. Now, let's go back to Sudan and the  
13 banking structure. You made the comment that this  
14 particular bank was, in Sudan, played an important  
15 role because it was unlike western banks. Can you  
16 explain that?

17 A. Beginning in 1981, 1982, there was a  
18 concerted move to establish a separate Islamic  
19 banking structure that would be separate from the  
20 western banking structure. In the extensive  
21 literature that the Islamists wrote about this as  
22 they did it which I, which I have reviewed  
23 extensively and written about, they decided that  
24 they wanted a whole system where they could operate  
25 under Sharia law or Islamic law where you don't

1 collect interest and other different, things,  
2 things are different from the western banking  
3 system.

4 What developed in reality since then were a  
5 series of very difficult to trace financial  
6 institutions where ownership overlaps among a small  
7 group of people and a small number of banks, and  
8 where the way the bookkeeping is done and the way  
9 the secrecy that surrounds these banks makes it  
10 virtually impossible to understand how transactions  
11 actually transpire in there. And numerous of these  
12 banks have been, come under investigation in  
13 terrorist finance cases including the Al Shamal  
14 bank in which Mr. Bin Laden invested his, his 50  
15 million dollars. And they're particularly  
16 attractive because even if you can get into the  
17 banking records you can basically not understand  
18 them at all unless someone will walk you through  
19 that and if someone won't, you're left with a,  
20 pretty much a worthless pile of papers and books  
21 that are unintelligible to the outside world.

22 Q. Did Sudan allow its banking system and  
23 this bank in particular to be used by Al-Qaeda to  
24 fund its terrorism and its various sleeper cells  
25 and networks?

1           A.     As I said, what made Sudan interesting  
2     and unique was that it was a centrally directed  
3     operation from the central government of Sudan, so  
4     they clearly had control over the banking system.  
5     It was a very centralized government structure.  
6     And so Al-Qaeda could not have used those banks  
7     with the impunity, and we have witnesses in trials  
8     and talking about their constantly going to Al  
9     Shamal banks and other banks to open accounts.  
10    They couldn't have operated with that degree of  
11    freedom and openness if they had not been  
12    sanctioned by the central government to do so.

13           Q.     So, let's, and then let's go to a  
14    different subject. Terrorist conferences: Does  
15    Sudan harbor terrorist conferences including  
16    Al-Qaeda at its terrorist conferences?

17           A.     Sudan has hosted at least one  
18    conference a year for, going back to at least 1995.  
19    And what you see, what makes these conferences --

20           Q.     Would that be 2000, 2001, 2002?

21           A.     2000, up until my last information was  
22    at least 2002, 2005 they were allowing these groups  
23    to, to come in.

24           Q.     What is the importance of having these  
25    conferences relative to the ability to have an

1 event like the bombing of the Cole?

2 A. Well, I think the significance of  
3 these conferences is it allows different terrorist  
4 groups with different expertise to get together and  
5 exchange information, exchange methods of  
6 operation, exchange pipelines to different types of  
7 goods that all the terrorists needs, for example,  
8 false passports, dynamite, explosives, that sort of  
9 thing. And I think that to set up a network that  
10 can reach across borders, these meetings where  
11 you're safe and can sit down and actually talk to  
12 people extensively who share your basic etiology,  
13 are incredibly important because that is where the  
14 networks begin. And those networks then flow out  
15 from Sudan into Yemen and elsewhere.

16 Q. Now let's just put that together and  
17 see if you have given us a picture, sir. I think  
18 you have told us that in your opinion, the bombing  
19 of the Cole was, actively was supported by Sudan,  
20 is that correct, sir?

21 A. I don't think the bombing of the Cole  
22 could have happened without the active support of  
23 the government of Sudan.

24 Q. Is there anything else you would like  
25 to say about that subject or have we completed your

1 testimony?

2 A. I think that it's important as I said  
3 to be aware of the central nature of the Sudanese  
4 government in the participation of Al-Qaeda in the  
5 Sudan and in the establishment of the networks,  
6 both physical and financial that existed there.  
7 Al-Qaeda tried in other countries to go in and do  
8 similar things and they couldn't, because they  
9 didn't have the central government backing.

10 Sudan gave them essentially the breath  
11 of life that they needed to become a focused,  
12 energetic group that could then move out from there  
13 into extensive training with financial backing  
14 around the world and leading to not only the Cole  
15 but to 9-11.

16 Q. One more thought before we're done.  
17 We know that following the expulsion of Osama Bin  
18 Laden or the theoretical expulsion of Osama Bin  
19 Laden from Sudan, Sudan provided some documents,  
20 but not a lot of documents regarding its activities  
21 and its support of terrorism. Do you know why it  
22 withheld documents?

23 A. I would -- my best -- to the best of  
24 my knowledge it would be because the documents  
25 would be incriminating to them at a very senior

1 level and would demonstrate their state sponsorship  
2 of terrorism.

3 My understanding from dealing with  
4 people who dealt with Sudan in that particular case  
5 was that most of the documents they received were  
6 the most, were the oldest and least relevant  
7 documents, which was an attempt by Sudan not to get  
8 punished by the United States for possible  
9 involvement also in the 2001 bombing when President  
10 Bush said you're either for us or against us; but  
11 they withheld the most relevant information because  
12 there is no doubt in my mind that it would show the  
13 highest levels of government from Hassan Al Turabi  
14 down through the NIF structure as directly and  
15 knowingly supporting terrorism.

16 Q. So would it be accurate to say that  
17 from the original Al Fatwa declaration of war and  
18 the statement that US military assets should be  
19 attacked which was made in Sudan by Osama Bin Laden  
20 in 1992, directly through the attack on the Cole,  
21 there is a continuous and unending support by Sudan  
22 of Al-Qaeda which allowed the Cole to, bombing to  
23 occur?

24 A. Absolutely. I think that from 1992  
25 through the Cole bombing, Sudan provided an

1     incredibly necessary and vital infrastructure for  
2     Al-Qaeda to be able to prepare and move the  
3     explosives and carry out the attacks on the Cole.  
4     And it was not clandestine or hidden presence, but  
5     rather fairly overt and knowing presence by senior  
6     members of the NIF government in Sudan.

7                     MR. HALL: Thank you, sir. That is  
8     all I have.

9                     THE WITNESS: Well, we're done.  
10                    (Thereupon, the deposition was  
11     concluded.)

CERTIFICATE

STATE OF FLORIDA:

SS.

COUNTY OF MIAMI-DADE

I, Donald Leavell, Registered Professional Reporter and Notary Public for the State of Florida at Large, do hereby certify that I reported the proceedings in the above-styled matter; that the foregoing pages constitute a true and correct transcription of my shorthand notes of the proceedings on this date.

I further certify that I am not attorney or counsel of any of the parties, nor relative or employee of any attorney or counsel connected with the action, nor financially interested in the action.

Witness my hand in the City of Miami, County of Miami-Dade, State of Florida, this 18th day of February, 2007.

\_\_\_\_\_  
Registered Professional Reporter  
Notary Public, State of Florida at Large  
My Commission, #DD188899, Expires 2/27/07